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MARKETING & MEDIA DECISIONS

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THE TOP MARKETING SUCCESSES OF 1986

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MARKETING & MEDIA DECISIONS

COVER STORY

HATS OFF! 25

A drum roll, please, for the Top Marketing Successes of 1986.

CAMERAS: POLAROID SPECTRA 28

Polaroid didn't need a magic wand to wave over the launch of its pricey new instant camera, the Spectra. An impressive bag of marketing tricks worked just as well.

HOUSEHOLD PRODUCTS: SURF 37

Lever Bros. has been pounding households with coupons, commercials, samples and familiar packaging for Surf heavy-duty laundry detergent. The result is a surprisingly big winner in a very tough category.

SOFT DRINKS: COCA-COLA 45

By focusing on sugared drinks — a presumably risky move — Coca-Cola bubbled over on several fronts, including in its race with Pepsi.

DIRECT MARKETING: HOME SHOPPING NETWORK 53

Luck, timing and ingenuity have a lot to do with why this particular player is proving all the rage among consumers who hate shopping malls.

AUTOMOBILES: TAURUS/SABLE 60

Ford desperately needed a success story to equal the Mustang, and after years of market research, it has more than passed inspection.

SPIRITS: BARTLES & JAYMES WINE COOLERS 69

Gallo snared first place in the market share race among wine coolers last year. If you think it was due only to those heart-warming commercials, consider again.

RETAILING: WAL-MART 79

"Win big by thinking small" might be the motto of this booming retail chain, which boasts a 10-year compounded growth rate of 37.9%.

COMPUTERS: APPLE DESKTOP PUBLISHING SYSTEM 84

Despite ad agency switches, layoffs and management upheavals, one bright spot — the Macintosh — hovered on the horizon. Spurred by the recognition of its desktop publishing capabilities, the product's sales doubled last year.

ENTERTAINMENT: KING WORLD 91

This television programing distributor is adopting a show-biz strut as it parades with three of the top 10 syndicated shows.

HOME ELECTRONICS: JVC-C CAMCORDER 99

JVC grabbed 20% of the camcorder market with sheer willpower. More significantly, it succeeded with a product most thought dead while simultaneously saving the VHS format from the threat of 8mm.

DEPARTMENTS

DIRECT MARKETING 4

New research shows that cable sparks more at-home purchases than does broadcast. Also, Grey opens a new office in the land down under.

FREEZE FRAME 6

The news cable buyers have long been awaiting: a single national cable buy tying many networks into one neat package. In home video, one firm offers an avenue for how-to video publishers to market their wares.

DEBUT 8

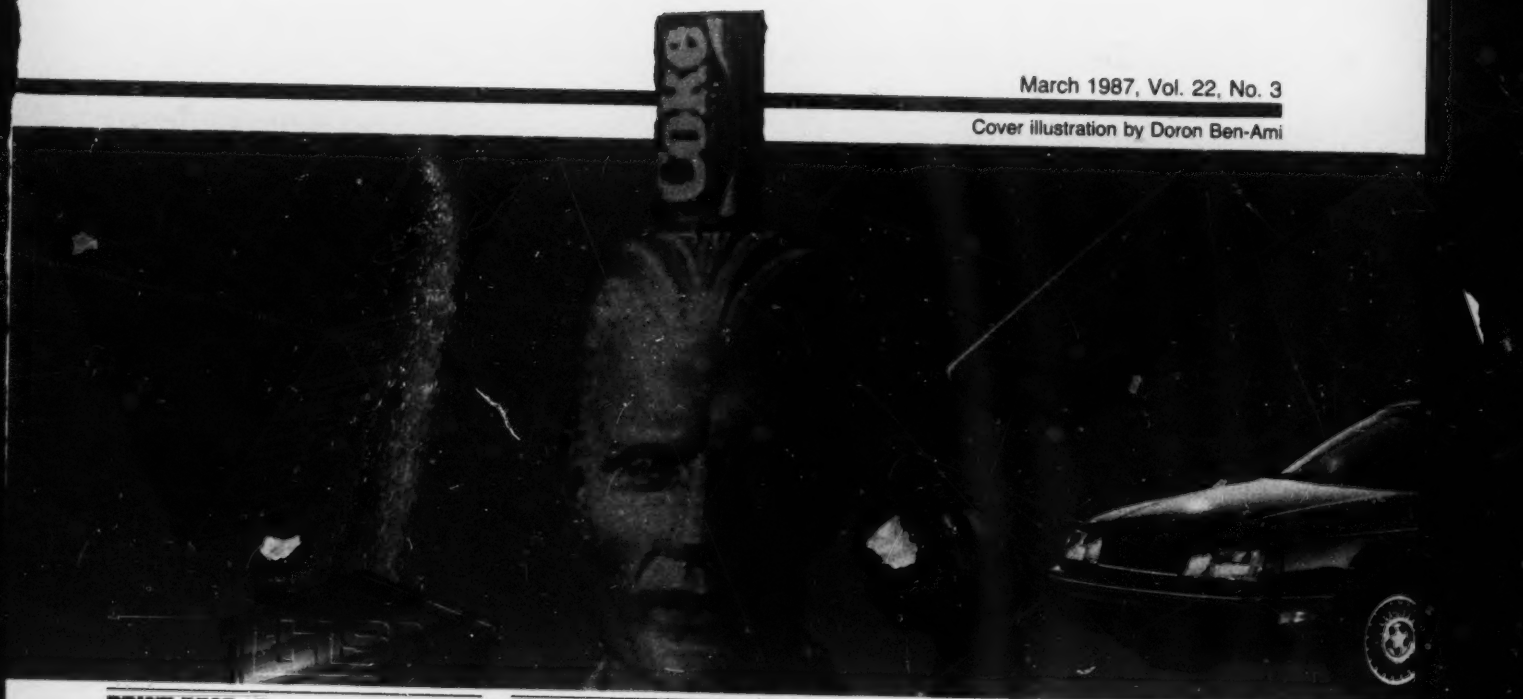
Bikinis, hot wheels and hot dates are the publishing subjects of two new magazines aimed at the younger male.

PROFILES 14

Carol Karasick's can-do attitude should bode well in her new role as Saatchi & Saatchi's media director. Also, Mike Russell stirs things up in the world of regionals with American City Business Journals.

March 1987, Vol. 22, No. 3

Cover illustration by Doron Ben-Ami



PRINT BEAT 17

MPA's Direct Product Profitability study ranks magazines among the top three net-profit items sold in stores.

CREATIVE CONCEPTS 22

The Marlboro man wouldn't like it. His ads are being copied by Mint Condition, a candy aimed at smokers.

POINT/COUNTERPOINT/POLL 124

The issue of a fourth network provokes reactions from two broadcast department heads at leading agencies.

BROADCAST BEAT 127

People-meter pundits learn a thing or two from Dr. Ruth.

ON THE DOCKET 130

The ad tax that wouldn't die continues to worry the ad community, this time on the state level.

SALES PROMOTION 134

Surprisingly little research is done to analyze the long-term impact of a promotion strategy.

TOOLS OF THE TRADE 138

J. Walter Thompson gurus predict that 15-second commercials will linger but never replace the standard :30.

ECONOMIC EYE 140

Consumer confidence, investments in magazines and the Media Cost Index.

LAST WORD 144

Does success breed success? Our flashback finds out.

AS THEY SEE IT

MEDIOLOGY *David Lehmkuhl* 107

It's argued that binoculars should replace microscopes as a way to view today's media issues.

MAGAZINES *Garfield Ricketts* 110

The subject is merchandising allowances and the theme is how to get more of these valuable tools.

PEOPLE METERS *Barry Kaplan* 110

Needed: a valid "gold standard" to measure rating validity.

PLANNING *Lyn Wolfson* 116

Applying packaged goods planning skills helped one novice enter the world of agricultural media.

NEWSPAPERS *Frank Hajek* 121

With a list of advances to its credit, the next milestone for newspapers should be how to establish rates that compare favorably with other media.

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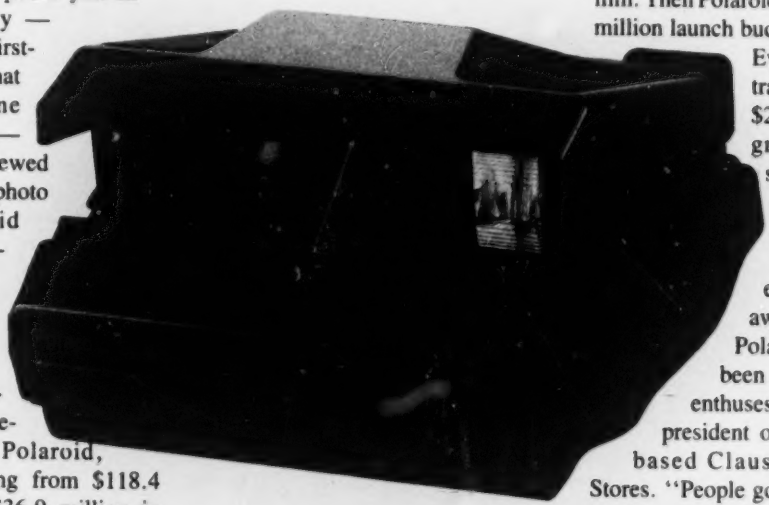
INSTANT GRATIFICATION

Spectra's fans get it by the pictureful; Polaroid gets it from the vivid success of its careful product intro.

by Carol Hall

"Say cheese." CLICK. WHIRRRRRRRR. Watch, wait, wait, watch and voila, an instant picture!

It may be well-worn magic, but Polaroid Corp., the founder and now sole participant in the instant photography market, has shown with its Spectra that there's still some pizazz left in the old hocus pocus yet. In 1986, the company — abracadabra — saw first-growth in a market that had been in decline since 1978. It beheld — allacazam — a renewed enthusiasm among photo dealers for Polaroid products. And even — drumroll please — the morale of its employees is on the upswing.



Spectra, long acknowledged as a make-or-break entry for Polaroid, whose earnings swung from $118.4 million in 1978 to $36.9 million in 1985, has exceeded expectations and developed into a bona fide hot item. Spectra sales for 1986 are put at around 800,000 units by most analysts. Harold Martin, publisher of the *Wolfman Report*, an industry journal, says that number could reach 1.25 million cameras. The camera's done so well that Polaroid earnings nearly tripled in 1986 to $103.5 million.

Spectra has not only helped Polaroid, it has rekindled consumer interest in taking instant snaps. Spectra is credited with giving the instant market its first sales uptick since it began its slide from 9 million units sold in 1978 to 3 million in 1985.

People had pretty much tired of instant cameras, which have always been dominated by Polaroid, for lots of reasons. Mainly, though, it was the high film costs and coarser picture quality that turned buyers off. Indeed, though many non-instants cost more, most photobugs went for one of scores of new, easy-to-use, 35mm or single-lens reflex (SLR) cameras flooding the market.

Enter the Spectra. The company bit the bullet and designed a high-quality, instant camera that made bigger, better pictures with more easily reprintable film. Then Polaroid backed it with a $40 million launch budget. And it worked.

Even though the Spectra is pricey, $150 to $200, it appealed to a group that had been shunning Polaroid products: the better-heeled young adult who can be expected to snap away like mad. "It's a Polaroid camera that's been a pleasure to sell," enthuses Peter Latsey, vice president of Waltham, Mass.-based Claus Gelotte Camera Stores. "People got excited again, behind the counter and in front of it." And company morale? "There's a tremendous sense of vindication," confides one Polaroid executive.

Now it's only fair to mention that there are some raised eyebrows out there when it comes to giving Polaroid all the credit for this success story. Some people say Polaroid got a big shot in the arm when it won a patent-infringement suit against Eastman Ko-

SARAH PUTNAM

Polaroid's Peter Eichorn and Gary Moss attest that, though it may sound easy, Spectra's success wasn't a snap.

dak Co. Kodak not only lost the January 1986 decision, but was booted out of the instant photography business, where it had a 20% share. That left the whole $1 billion market to Polaroid.

But many think that the company's Spectra marketing efforts and resulting sales deserve the full measure of praise. For one thing, most sales gains accrued from the Kodak departure have probably gone to the lower-priced Polaroid lines. With top-of-the-line Spectra, says E.F. Hutton analyst Richard Schwarz, "the camera's show of strength is its alone." Mark Levine, editor of *Photographic Trade News*, offers this explanation: "What they've successfully done is convince the industry and consumers that this is an instant camera that is different — it's better."

Polaroid was determined to do it right. "Nothing was left to chance," observes Ted Voss, a marketing consultant and former vice president at Cambridge, Mass.-based Polaroid. "It was all planned to the last detail."

The company started out with a still-strong belief in the viability of the instant camera market. "People love to take and receive instant pictures; it's emotionally gratifying," explains Peter K. Eichorn, vice president/North American marketing operations for Polaroid. But Polaroid not only had to rekindle interest in instant, it had to convince enough picture takers that here was a new and *improved* instant camera. That's where many of the other, more concrete reasons for Polaroid's big score come in.

What does it do for company morale? "... A sense of vindication."

Polaroid made use aplenty of focus groups to find out what people did and didn't like about instant cameras. Lousy instant picture quality was high on the list of consumer complaints. Since Spectra is positioned to take sales not only from the point-and-shoot camera market, but reach into the 35mm category, too, this was a gripe the company had to address.

It did. Polaroid not only introduced new technology in Spectra, enabling it to take sharper, clearer pictures, but its lab produced a new instant film. Comments Voss, "The aura for Spectra had to be 'Quality' in the broad, artistic sense." In tv ads, a Spectra spokesman says the improved pictures are the result of a "churning molecular sea of stunning" Polaroid colors. It's actually due to an innovation in film makeup and dye chemistry.

Though, of course, it's partly a matter of taste, there is some question as to whether the new film makes better looking pictures than other Polaroid films. But there are some less aesthetically debatable differences. It yields, for starters, a picture that's about 15% larger. It also has a more rectangular, less square, picture area, making it more like that of the average 35mm

print. Even the Spectra film packaging is more sophisticated and more colorful than those of other Polaroid films.

In addition, Polaroid offers a special "laser" reprint service to make copies of Spectra snaps. This, too, features a new technology that makes *these* reprints better than what is available for older Polaroid films. And the company has gone the extra mile in publicizing this print service. The result: The possibility of getting copies for those great instant snaps can figure into consumer purchase decisions. On top of that, Polaroid guarantees the quality of each snap. Even if a bad exposure isn't the fault of the camera or the film, the company will replace the film.

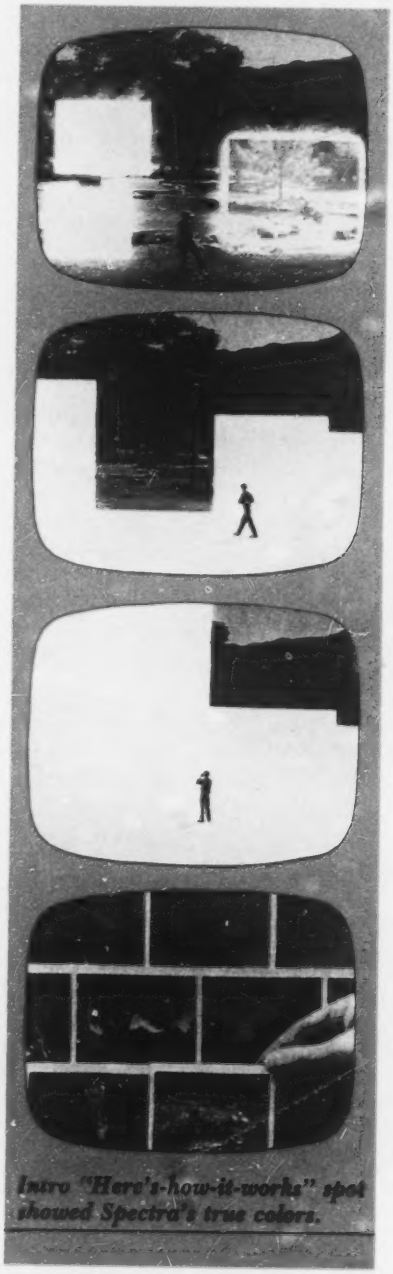
Photo dealers were also consulted throughout Spectra's development. Before a single camera was shipped, Polaroid gathered key photo specialty-store dealers together in Boston and, according to Gelotte Camera's Latsey, "they talked Spectra. They wanted this camera *not* to come out at 150 miles-per-hour," he says. "They wanted feedback before it rolled out." Educating the specialty dealers, who represent 40% of Spectra sales for the company, was a cornerstone of the camera's success. "It wasn't oversold. We knew exactly what we were putting on our shelves," he states.

And Polaroid didn't miss a beat in the public relations department, before or after Spectra's official introduction. As the roll-out approached, for instance, it unleashed a direct marketing blitz. In what's been termed a "seeding of cameras," Polaroid mailed more than 100,000 invitations to buy pre-launch Spectras to what Eichorn calls "opinion leaders — people who owned yachts longer than 60 feet, for example." These included entertainers, politicians, sports figures and celebrities from all walks of life. More than 4,000 influentials picked up on the offer and made an early buy of a Spectra.

Polaroid took Spectra on the road before its actual introduction, hitting a number of important trade shows here and abroad (Spectra now sells in Europe, Japan and Australia). But on April 2, the camera was officially unveiled, at a one-day cost of $1 million, at a Los Angeles get-together for the trade and consumer press in Los Angeles. The show-and-tell featured a behemoth, two-story Spectra mock-up the press could troop through.

After the launch, Polaroid put five "Spectra teams" on the road. Its people went to 60 malls in affluent communities and set up temporary booths where they explained the Spectra system and let shoppers use the cameras themselves.

Advertising was put to work before and after launch, too. Prior to roll-out, the company ran an outdoor teaser campaign on billboards along major thoroughfares in selected cities, and next to ski slopes in New England and Colorado. On April 21, two weeks before the first Spectra was scheduled to appear in stores, a teaser on tv aired announcing that soon "The world of science and art will become one."



Intro "Here's-how-it-works" spot showed Spectra's true colors.

On May 5, the first cameras went on sale and "Spectra Night," as the company calls it, made itself felt on television. Polaroid bought 60-second spots on every show in prime time on all three networks, roadblocking some shows. The print campaign officially broke then as well. Polaroid made heavy use of newspapers, going into 25 top market dailies. (Dealers say the company has an extremely good co-op program, too.) Ads blanketed major newsweeklies, business books and consumer and trade magazines, most of them in the form of six- or three-page inserts, or cover spreads. And new outdoor ads were unveiled.

Polaroid is hoping Spectra will regenerate its high-tech image, an image that has slipped considerably since the first Polaroid instant was introduced in 1947. Over the years, prices of the cameras tumbled, some falling to below $30, and picture quality didn't improve tremendously. Instants went from being the sophisticated new toy on the block to a chintzy gadget gathering dust on the shelf.

In an effort to change that, Polaroid is aiming its ad pitch, coming out of BBDO International, at a new target market. It is not pushing this camera to its traditionally mixed blue/white collar audience, aged 40 and over, with $20,000 plus income. It is instead, says Gary Moss, director of North American advertising at Polaroid, aiming at 25- to 40-year-old earners of at least $35,000, and a psychographic profile that reads "Innovators."

A rather "unscientific" but perhaps more telling indication that their aim is true results from behind-the-scenes snooping by Polaroid execs. According to Eichorn, they monitor the type of people using Spectra by the types of pictures they send in to the reprint service. Oh, there are still snaps of parties, he says, "but decidedly upmarket" ones, "not at the duplex with the chain-link fence, but parties around the swimming pool." And, he adds, they aren't seeing so much of "just ordinary cat and dog photos, but *ponies*."

The very embodiment of that strategy could be seen in the company's choice for Spectra Night spokesman — Ben Cross, a far cry from the longtime Polaroid spokes-duo, Mariette Hartley and James Garner. Cross is "not exactly a widely known personality," Moss agrees, but is someone who conveys the image of being "a bit erudite." Cross was strictly a launchman and has since been dropped from Spectra advertising.

The introductory ad campaign ran on television from May through the end of June. Advertising was cut back to a maintenance level for the rest of the summer and was back in force during the World Series. While the first flight had Cross present a "Here's-how-it-works" spiel, the fall campaign, a series of three :30's, was spokesman-less and banged the 35mm drum more forcefully. The ads were a series of 30-second spots that flatly positioned the Spectra against 35mm cameras using the copyline "Which 35mm camera took these photographs?"

A final flight for 1986 was launched for the Christmas season. A group of :15's pushed Spectra as the perfect gift for over two weeks at what BBDO says was a high frequency level.

BBDO says consumer tests show recall levels were "incredibly" high for Spectra ads, especially in print. "People remembered things like 'dual silicon photo diodes,' " exclaims Lonny Strum, senior vice president, management supervisor at BBDO. "I don't even know if half the people at Polaroid know" the term, he laughs.

BBDO's Lonny Strum watched a $40 million ad campaign click.

Not only did Polaroid snag consumer interest with its upscale instant, it also attracted the attention of a wider range of sales outlets than it has in the past. In addition to its large photo specialty and discount store base, Polaroid got orders from high-gloss vendors like the Sharper Image. Even some department stores that don't have camera departments, like Bloomingdale's, grabbed at the new camera.

The company felt the need to differentiate what it made available to the variety of outlets placing orders. It offered a slightly more expensive, warranty-laden SE (special edition) model with a fancier camera-body finish to its up-market vendors. The mid-tier and discount stores got the basic camera.

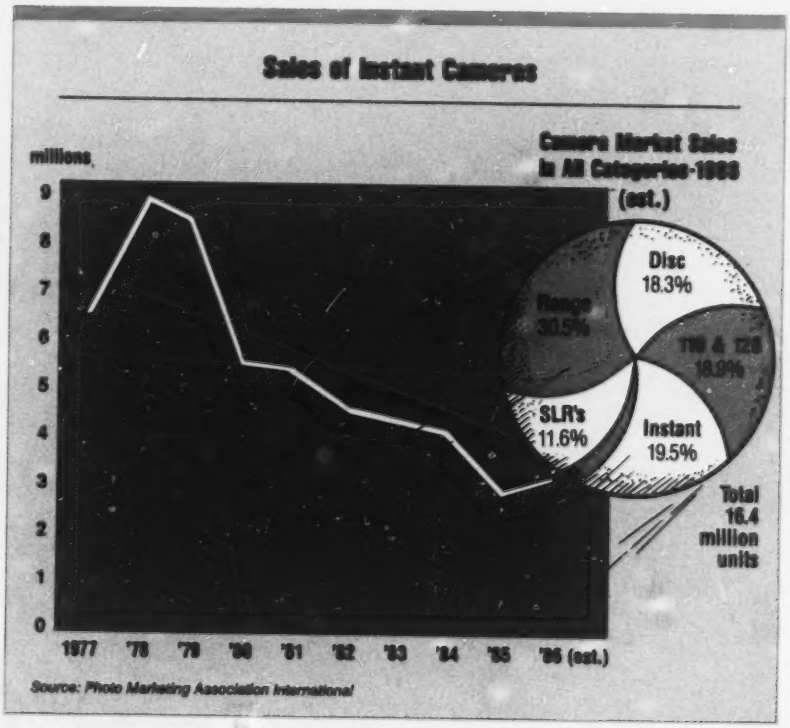
All this demand translated into some temporary distribution problems for Polaroid. Some say the initial shortage was a ploy to whip dealer and consumer lust for Spectra to a fever pitch. Polaroid denies it, saying that they were surprised by the breadth of interest shown. Either way, demand exceeded supply and, says Eichorn, some stores at first had to be limited to three cameras and five packs of film.

Spectra has put Polaroid, a company that *is* its market, in an enviable position for growth. But to hear Polaroid tell it, the work's just begun. "The challenge in '87 is to keep the incredible momentum going," declares Gary Moss. "In some ways, that's going to be the hardest job."

It plans to launch a new $50 million ad campaign through BBDO in April, tied in part to the introduction of Spectra's first line extension. The Spectra Onyx will essentially have no new technology, but will feature a smoked plastic top enabling the user to see those works in action. Eichorn says he expects it to retail for about $200.

A lower Spectra price is something analysts expect to see. Eichorn says that's not in the cards for now. This winter the company is making a special trade-in offer in hopes of growing more Spectra buyers. Bring in any old camera and Polaroid will knock $20 off the purchase price of a new Spectra.

Yes, it's true that Polaroid isn't just a one-product company. While 60% of their sales still come from consumer cameras and film, they have an industrial photography division and have been expanding their magnetics division. "Clearly the company's on a strategy of not putting all their eggs in one basket," concludes E.F. Hutton's Richard Schwarz. But as for Spectra: "This is one big egg, make no mistake about it." ■



WINNER BY A NOSE

"Surf—Removes dirt *and* odors!" Lever's obvious claim has helped it rise against P&G's Tide.

by Carol Hall

"O-h-h-h Daddy! Your shirt smells!" the little girl in the ad chokes. "Peee-yeeeewww!!" another cherubic child says more bluntly in a different spot.

Such comment may be indelicate, but definitely attention-getting. Lever Brothers wafted the message of "B.C.O." (bad clothes odor) over a large part of the country last year to score a major marketing triumph in one of the toughest sales categories around. The standard bearer? Lever's Surf powdered laundry detergent.

In less than three years, Surf has separated itself from the entries that make up the pack and pounded competitors such as Cheer, Bold and Fab. Though it was only in about 65% of the country by the end of 1986, its market share on a national basis was waving at an 8% level, according to Hercules Segalas, Drexel Burnham Lambert's household products industry analyst. That may not sound like much, but in this highly fragmented category, it was good for second place in the national ranking. Surf trails only Procter & Gamble's Tide, which continues its longstanding clean-up of the $3.5 billion business with a 19% take (some analysts put it at 22%). Aggressive spending on advertising and sales promotion have Surf swallowing up to 11% of the market in areas where it is sold.

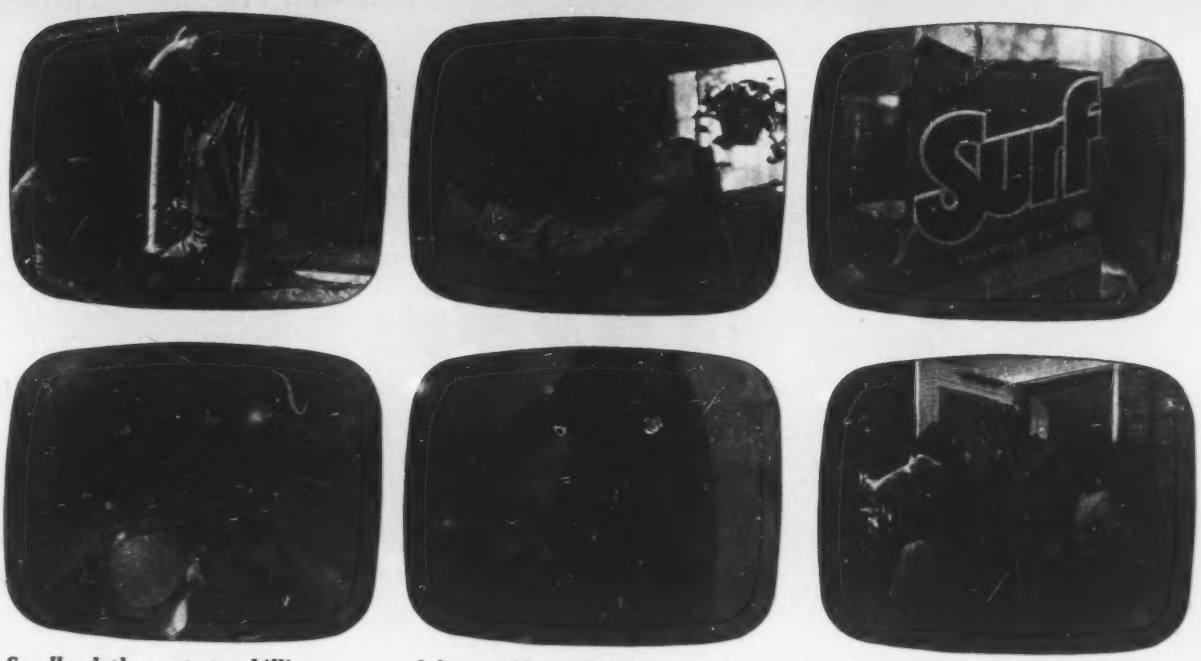
STEVEN BEGLEITER

Crows John Speirs, Lever's vice president of marketing for household products, "It's a huge business." Surf powder's success also emboldened Lever Brothers, subsidiary of Unilever U.S., the American arm of Netherlands-based Unilever N.V., to introduce Surf liquid into a test market on the East Coast in 1985, and the liquid is now available in 15% of the country.

At one time, Surf would have been an unlikely subject of a success story. Here was the only new powder to hit the market since 1978, a soap with a recycled brand name and with what some say is none-too-new technology, and one with a name and a package that bring to mind its chief competitor, Tide.

Even members of the launch team weren't sure at first just how successful their new entry into the incredibly combative heavy-duty laundry detergent market would be. "It has surprised us, it really has," exclaims one team member. "We thought we were going to get a niche in the market this big," he says, spacing his thumb and forefinger an inch apart. "We end up getting not a niche but having a mainstream detergent out there."

What went right? Drexel's Segalas, a former Procter & Gamble man, sums it up: "It's been a tremendous marketing job." That it has. Lever rolled the product out slowly and supported it heavily, not only with ample ad spending, promotions and public relations events, but with one of the most impressive sampling campaigns ever



Smelly clothes gets top billing as a washday problem. O&M's campaign pushes Surf as the solution.

launched by a detergent marketer.

And what was the slogan Lever followed in bringing their powder to battle? "Surf — Removes dirt and odors!" Well, gee — don't they all say that? And where are the au courant laundry buzzwords like "surfactants," "enzymes," or even everyday "phosphates" in its headline?

The slogan takes, says Speirs, a very "single-minded approach." Slogans for most laundry detergents do: Lever's Wisk is famous for fighting "ring around the collar"; Procter & Gamble's Cheer is "all temperature." Surf emphasizes and re-emphasizes odor removal. It's a line that, believe it or not, no other laundry powder has ever pursued. And simple as it is and unlikely as it may seem that it could turn the head of today's consumer, sales have proved Lever research right: This is precisely the kind of washday problem people want solved.

Lever did its homework. Preliminary research showed that consumers were increasingly concerned with smelly clothes. Sweeping changes in the nation's work habits are why. People spend more of their work time behind desks than they do in factories or fields. They are, essentially, washing cleaner clothes these days. In addition, a high proportion of clothes are made of blended fabrics that tend to hold odors. In the absence of visible dirt, says Speirs, "odor removal has become an increasingly important way that consumers judge the cleanliness of their laundry."

While the industry is abuzz with talk of the "pouch" and washer/dryer strip, along comes Lever with a new powder.

Hence, Surf, a detergent with a now-patented formula that both removes and masks odors. Before its launch, Surf proved the highest scorer in intent-to-buy tests that Lever ever had for a detergent.

That it was launched with the odor-removal line isn't the only thing that at first glance looks anachronistic about Surf. At a time when the industry is abuzz with talk of innovations like the pre-measured detergent "pouch" and fabric strip that gets tossed into both the washer and the dryer, in addition to the still-growing liquid segment, here comes Lever with the first new powder since 1978. It is, says Hercules Segalas, "yesterday's technology. This is just a plain old heavy-duty phosphate detergent." A former Lever executive agrees: "It's a good detergent but, from a technological point of view, the product is not all that earth-shaking."

But Lever hardly sees Surf as a powder-detergent dinosaur. Though liquid detergents receive most of the industry's current advertising attention, roughly 60% of the market still belongs to the powdered soaps.

There are a number of reasons for that, first and foremost being that consumers are very, very slow to change their purchase habits. Powders have been around for decades and not only are people used to using them, but many think they get clothes cleaner and are cheaper than liquids. In fact, powders do actually work better in some areas, depending on the hardness of the wash water.

Detergent marketers aren't in any rush to bring about the demise of powders, either. Lever, like the rest, has a lot invested in manufacturing facilities geared to producing powders.

According to Theodore Brenner, president of the Soap and Detergent Association, Surf is formulated "with a fairly high level of phosphate in it."

Phosphates, in laundry detergent circles, have long been regarded as clothes cleaners par excellence. They are also the detergent ingredient that came under heaviest fire by environmentalists in the last decade. At the peak of the brouhaha, a number of companies began marketing non-phosphate soaps. Since then, sales of detergents with phosphates have become illegal in 28% of the country (by population), a condition that actually affects 35% of the U.S. due to resulting distribution problems. Surf powder is not available in those areas. Most liquid formulas don't contain phosphates because they can get clothes cleaner than non-phosphate powders.

Some might say that Lever just waited until consumers forgot their phosphate frenzy and dusted off, essentially, an old technology that indeed gets clothes cleaner than non-phosphate powders. Lever hotly denies this, however. "Phosphate legislation had nothing to do with the decision to go with Surf," insists John Speirs.

This isn't the first time Lever has used the Surf brand name for a detergent. The company's first Surf was introduced in 1948 and sank, according to industry watchers, to below a 1% share before it was yanked from the market in the mid-1970's.

But the Surf of the eighties is a revival in name only. Not only is the soap's formula new, its packaging is, too. Its resemblance to a competitor's hasn't escaped notice. "I suppose the fact that the graphics and the general appearance has a certain similarity to Tide is purely coincidental," chuckles the ex-Lever man.

Surf powder has rolled across the country in waves. First tested in Houston in 1983 where it achieved an encouraging 13% share, it had been distributed to the rest of the state and parts of the Southwest (about 5.8% of the population) by fall of 1984. The second wave, which took its coverage to over 20%, rolled over the Southeast by December 1985 and stage three reached into the Midwest for 20% more of the population by April 1986. By October of last year, Surf had been introduced to 16% more of the country, mostly Midwestern states.

Houston was told "Surf is coming" in an outdoor teaser campaign before

The similarity to Tide, both in name and packaging, hasn't escaped notice.

stores received their first shipments of it in April 1983. The cost was too high to tease other cities on the roll-out schedule, however.

Ad launches followed product roll-out across the country. John J. Reed, Jr., senior vice president/group director at Ogilvy & Mather, the agency handling the Surf account, says that about 50% of the ad dollars go to daytime and prime time network television and 20% goes into spot buys. The company also spends over 10% of its budget advertising against Hispanics, largely in the Los Angeles, Miami and Houston markets. Print receives 10% of Lever's budget for Surf powder, with most of it going into magazines like *Family Circle, Better Homes and Gardens, McCall's* and *People*. The print selections highlight the soap's target market: women 18- to 49-years-old, middle-income and with active lifestyles.

Reed says that ad expenditures total between $20 and $30 million for the powder. Despite the fact that the detergent category is a crowded one in terms of shelf space, Speirs reports that "the grocery trade has been extremely supportive of Surf because of the volume it does for them."

Cindy Spano, grocery buyer/merchandiser for Safeway, an Oakland, Calif.-based chain, says it has been carrying Surf since 1984 and is impressed with the advertising support Lever gives the brand. "They came into the market prepared to spend what it was going to take to be a force," she explains, adding that when Surf sales are good, it does one half to three fourths of Tide powder's sales.

However, during periods of low Surf advertising, she says, it sales fall off. That, she admits, is par for the course with most new detergents. As products that come pretty close to "commodity" status in consumer eyes, they have to struggle for awareness for the first three years or so of their availability. Tide and Cheer, she says, sell well regardless of their advertising, "but it took a long time for Procter & Gamble to get them there and it will take Surf awhile to get there."

Though advertising has been an important component of Lever's marketing strategy, much of the credit for the detergent's success goes to the massive sampling effort the company waged. With little boxes of Surf going to over 70% of households in rollout areas, John Speirs can aptly comment: "I would say this is the most extensive consumer sampling program in recent years in the household products industry." Expenditures for the samplings are separate from the advertising budget and, though the company won't release any figures, Speirs calls the dollars spent a "key investment."

The sampling and ad pushes were heavily backed by cents-off coupon in-

National Market Shares of Top Heavy-Duty Laundry Detergent Powders

Brand	% Share	Marketer
Tide	19.0	Procter & Gamble
Surf	8.0	Lever Bros.
Cheer	6.5	Procter & Gamble
All	5.0	Lever Bros.
Bold	5.0	Procter & Gamble
Fab	4.5	Colgate-Palmolive
Fresh Start	3.5	Colgate-Palmolive
Purex	3.5	Dial
Oxydol	2.5	Procter & Gamble
Dash	1.0	Procter & Gamble
Gain	1.0	Procter & Gamble

Source: Drexel Burnham Lambert

serts. In addition, public relations events are staged in various locales to underscore the active lifestyles depicted in Surf's ads. Soap-opera stars and local celebrities are recruited for softball games, the proceeds of which Lever donates to charity.

Lever could take the powder national by introducing a non-phosphate version, a tactic other powder marketers have used. Some analysts think they'll do just that. Speirs says, however, the company doesn't comment on expansion plans for any of its products.

Some observers, though, think Lever will opt for the other logical course of action. In some areas of the country, liquids clearly outsell powders; in others, powders are stronger. For the former, Lever may simply go into the market with its new liquid Surf, tested in 1985 and introduced into the Syracuse-Rochester-Buffalo market last spring. It's now available to 15% of the country. That's an option that could give the company the flexibility to plug the appropriate Surf into the appropriate market.

Lever already markets the number-one liquid, Wisk, a 22% shareholder that was first marketed nearly 30 years ago. Most likely it can't hurt Surf to have a liquid entry. That segment is continuing to grow, up from 25% of the market in 1985 to more than 30% now. Estimates say it will grow to 40% or 50% by 1990.

Success is nice and, for now, it's something Lever can point to in Surf detergent. But observers urge the company not to rest on its laurels.

Surf is one of a trio of badly needed new product successes for Lever. Profits at the consumer-products maker slid south between 1978 and 1982. In 1980, key management changes were made and a program of staff cuts, followed by a series of new-product introductions, was begun. Surf has proved itself a sales booster, along with Snuggle fabric softener and Sunlight dishwashing detergent, both introduced nationally in 1985. Due to heavy new-product costs and the fact that Lever wasn't operating from a position of strength when Surf was introduced, prudence may have played a big part in the conservative roll-out timetable. Drexel Burnham's Segalas estimates Lever has $150 million invested in Surf so far.

Success is nice and, for now, it's something Lever can point to in Surf. But observers urge the company not to rest on its laurels. "You can only do this for so long," says the former Lever exec. "When you're on the upcurve you'd better start looking for some [new] technology, which I'm sure they are doing. But we haven't seen it yet in the marketplace." ■

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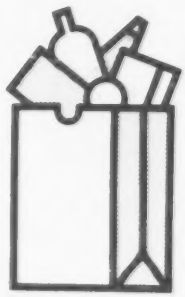

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THERE'S GOLD IN THEM THAR HICKS

by Pamela Ellis-Simons

Those folksy ads for Bartles & Jaymes belie owner Gallo's steely clout.

You can hate wine coolers or love them, but at least in 1986 you watched their ads. Actor Bruce Willis wooed the ladies for Seagram's cooler, while *Knots Landing*'s Donna Mills and others dressed in polar bear suits for Sun Country. Yet the commercials that no doubt won the most following star the whimsical Frank Bartles and silent Ed Jaymes. Played by two nonprofessional actors, the old geezers and their start-up cooler have tickled the funny bones of the country with their down-home naiveté and helped rocket Bartles & Jaymes into stardom as the top-seller in 1986 — an astounding eight months after its national launch.

As the popular series of over 100 Bartles & Jaymes ads tells us, Ed took out a second mortgage on his house and "wrote to Harvard for an MBA" to help the pair start their half white wine, half fruit juice business. Frank meekly asks us to buy their cooler "as a personal favor to Ed, who has a balloon payment coming up," or to help cover their $42.50 breakfast in New York City, which only surprised Frank when Ed explained it didn't include their rooms. (While in New York, they discover that their cooler even goes with "these big donuts they like to eat here . . . and fish," says a slightly befuddled Frank, pointing to a bagel.) Their seat-of-the-pants distribution network begins with a pickup truck being loaded by the marketing director.

What makes the ads even funnier is that Frank and Ed are the exact opposite of their parent, E&J Gallo Winery. Indeed, part of the brand's initial appeal, say retailers, was that consumers mistook it for a real start-up operation by a couple of hicks.

Instead, Bartles & Jaymes is the latest success of the Gallo winery, the largest wine producer in the world and, unlike Frank and Ed, immensely profitable. Its sales were estimated to be over $1 billion in 1985, according to *Fortune* magazine. Owned and managed by the brothers Ernest and Julio, Gallo is both feared and respected in the industry. Its marketing prowess is legend; its 300-page sales training manual is the industry bible; and among the former employees are numerous heads of wine companies.

"Gallo is a very competitive company," says L. Randy Riley, former senior marketing director at the company and now a vice president with Howard/Marlboro Group, a New York City marketing communications company. "It might be feared like the Detroit Lions fear playing the New York Giants. But all it tries to do is use all the information in the best way to get the retailer to do what is good for Gallo and for him. And when it does something, it does it well and really commits to it."

Adds Harvey Steiman, managing

GEORGE STEINMETZ

editor of *The Wine Spectator*, a serious wine-lover's publication, "Gallo dominates the wine industry. They just roll up their sleeves, make sure they have the grapes, make a good product and then market the hell out of it."

Gallo may not have created the wine cooler business, but in 1986 its marketing muscle clearly established it as big business. *Impact*, the respected industry newsletter, estimates the $1 billion wine cooler industry shipped 75 million cases of coolers last year, up 74% over 1985. (*Impact* now tracks coolers as a fourth category to beer, wine and spirits.) According to its figures, Bartles & Jaymes' sales skyrocketed 126.7% by the end of last year to 17 million cases, representing 22.7% of the market. The closest competitor at a 17.3% share is California Cooler, whose founders Stuart Bewley and Michael Crete created the half wine, half citrus juice concoction and sold out to Brown-Forman in 1984 for $55 million in cash plus another $83 million, if volume meets expectations.

Part of Bartles & Jaymes' success comes from carving out a new niche in the wine cooler market. California Cooler and Sun Country, currently number three but gaining, are both made with citrus juice pulp, resulting in a cloudy beverage. Hoping they will be guzzled like beer, the two companies package them in green-glassed bottles resembling imported beer. In contrast, Gallo and The Seagram Wine Company make a less-sweet product and package it in green, no-shoulder bottles resembling white wine bottles. "It looks and tastes like ginger-ale," says Steiman, whose *Wine Spectator* is a sister publication of *Impact*. "It is not the kind of thing our readers would like but Bartles & Jaymes is the one I could drink."

> **"A lot of people who don't wear legwarmers are interested in coolers."**
>
> ***Hal Riney***
> ***Founder,***
> ***Hal Riney & Partners, Inc.***

Gallo's advantage over Seagram is its established and awesome sales and distribution network. "It was first out with a clear cooler and got the jump on Seagram," says Joe McDonald, vice president of advertising and corporate accounts at Canandaigua Wine Co., the fast-expanding New York state-based winery that produces Sun Country. "They have clout with distributors and the market to put into action what other people only talk about."

Ernest Gallo, the self-taught marketer, runs the cracker-jack sales force that helps Gallo wines capture the all-important end-aisle displays in the country's retail outlets. (The publicity-shy Gallo brothers declined to be interviewed for this story, and the company is notorious for its secrecy. The buildings on the 400-acre winery in Modesto are unmarked.)

As industry sources relate, Gallo's national corp of salespeople is key to its marketing clout. "They understand the alcoholic beverage industry and most importantly, the retailers' business — how people shop — and they market accordingly in those stores," says Riley. For instance, the salespeo-

ple will explain to retailers how the Gallo line of products builds from jug wines to varietals. They will stress how much Gallo spends on advertising and show what in-store displays they offer. Furthermore, they act as consultants, advising on how to make more money on wine, how to cross-merchandise products and where to put displays outside the wine area. In return, they may ask for key positioning of Gallo wine (eye level down and running three feet in either direction, which is the eye's widest range.)

"Other salesforces try (to do the same thing), but Gallo's field marketing and distribution force is stronger," Riley explains. "It sounds so basic, but some companies let up a little. Gallo is not one of them."

Over time, amazing stories have been told about the enthusiasm of Gallo's sales staff. In an October 1986 cover story about Gallo, *The Wine Spectator* quoted a Gallo distributor describing how Ernest asks his salesmen to call on accounts on Mother's Day and Fourth of July, when most companies take the day off. Over-zealous salesmen used to pay off store managers to get Gallo wines in the most strategic positions, according to the cover story. And, if it is to be believed, the article quoted a former employee admitting that if bribes and free dinners didn't win Gallo display space and food shelf positions, "we'd buy every bottle of our competitors' wine and take them in the parking lot and break every bottle. We'd replace their wines with Gallo. It was war."

Ernest drives himself hard as well. A shy and conscientious man, he has been said to watch tv just to make sure Gallo is getting its money's worth in advertising. And he has been known to check Gallo's positions in wine shops, drug stores and supermarkets. He has even reportedly called on accounts using a fictitious name to learn firsthand what retailers thought of his product.

Gallo does most of its marketing on tv and in the store. "Gallo's philosophy is what happens in the stores is absolutely critical," says a former executive. "Chances are wine won't be on the shopping list — it depends greatly on impulse purchase. So it needs to be exposed to the consumer with the right imagery."

One of Gallo's fortes is grabby in-store displays. For Bartles & Jaymes, the company supplies retailers with a life-size cardboard front porch like Frank and Ed's. The display changes, with Frank in a rocker, Ed climbing a ladder, or the addition of a sad-looking bloodhound called The Thirst Dog. In supermarkets, Gallo salesmen push food and wine display signs, the executive adds, to appeal aesthetically to those that aren't necessarily wine drinkers. In a Southern California Ralph's supermarket, for example, a picnicking Frank and Ed invite shoppers to "eat out tonight."

For large liquor chains, some coolers' high volume and discounts are enough to give them an automatic edge in display positions. At Liquor Barn in Pasadena, Calif., for instance, management buys warehouse-size orders of Seagram's coolers and Bartles & Jaymes, receiving deeper discounts than competitors. Liquor Barn then discounts the price to the consumer, says manager Tony Hetherman, and naturally puts up a Gallo and Seagram display on the end of the aisle to promote them.

But for mom-and-pop stores that can't afford to buy in large quantities, the kid-glove treatment the salesforce offers — from stacking the retail shelves to dusting them — earns them good positions and display space.

Distribution of the product, which has stymied some cooler companies, is also a Gallo forte. In some markets, the distributor is Gallo-owned, meaning the company is vertically-integrated from its glass plant to trucking lines and distribution companies. In other markets, it uses independents like its competitors. But, says Eileen Fredrikson, vice president at wine industry consultants Gomberg, Fredrikson & Associates in San Francisco, "One out of every four bottles of wine drunk in America is a Gallo product, so be assured they have the most well-established distribution system of anyone in the industry."

Indeed, California Cooler got into trouble using beer distributors as it went national. Beer distributors initially visited their accounts more frequently than their wine cousins, which helped California Cooler introduce its product. But beer distributors have smaller territories than their wine counterparts. As a result, says Canandaigua's McDonald, California Cooler had half-a-dozen beer distributors call-

With discounting and ad budgets climbing — $120 million was spent on cooler ads — profit margins are getting squeezed.

ing on a large regional supermarket chain — sometimes each with a different price. "The chains didn't like dealing with so many people versus one wine distributor and one price for all the region," he explains.

Gallo's other marketing battleground is on tv and there its huge advertising budget has pushed the industry into higher and higher spending, topping $120 million last year. Gallo spent nearly $20 million on the first 20 Bartles & Jaymes ads in 1985, according to the magazine *Market Watch*, another relative of *Impact*. Sources estimate Gallo spent between $25 million and $35 million on the cooler last year.

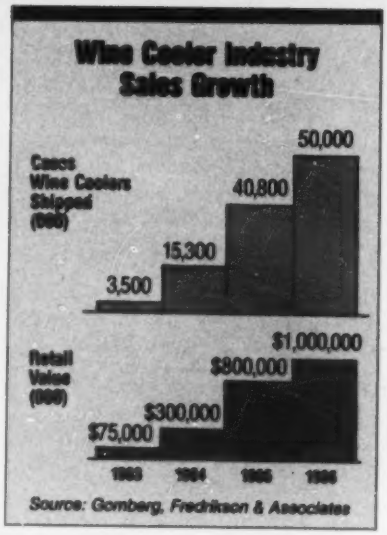
In response, Canandaigua spent $33 million in 1986 and will spend $40 million this year to launch Sun Country Classic, a clear cooler using Ringo Starr as its new spokesperson. "And we'd love to cut back," snaps McDonald. Seagram, meanwhile, is "spending what it takes" to compete, says a company spokesperson.

According to sources, Seagram spent about the same amount as Gallo last year and reportedly is paying ladies' man Bruce Willis between $4 million and $7 million to woo a series of women (including a bride) over to Seagram's Golden Wine Cooler. Brown-Forman is expected to spend as much as the others this year as it extends its "The Real Stuff" campaign.

Gallo spends virtually all of its advertising dollars on television. It has no print or radio campaign and the Gallo brothers don't believe in an alcoholic beverage sponsoring sports or other events, says company spokesperson Daniel Solomon. In fact, Gallo has gone through its share of ad agencies, "mostly because Ernest is difficult to please," says *The Wine Spectator*.

But they came to the right person to give its cooler a quick personality. Hal Riney, then managing director and creative director of Ogilvy & Mather's San Francisco office, was given the job of differentiating the Gallo cooler from the hordes of others.

"All the campaigns were being developed at the same time," says Riney, who has gone on to found his own agency, Hal Riney & Partners, Inc. "We felt the typical packaged goods



formula was in their plans. And we felt a contemporary spokesperson, because the drinker is younger and skews to women, would be so transparent and obvious that our advertising would run the risk of looking like everyone else's." Riney named the product Bartles & Jaymes, choosing names out of the phonebook, with the idea of doing something with a couple of guys.

While admitting Frank and Ed are older than most cooler drinkers, he lovingly defends their "hick" status. "Frank and Ed are pretty sophisticated in their own funny way," says Riney, considered the country's hottest creative executive at the moment. "I feel they appeal across the board. Humor bridges all kinds of audiences," he points out. "The usual advertising crafted to reach the younger beverage user is very narrow and perhaps too specific in its appeal. A lot of people who don't wear legwarmers are interested in coolers."

Gallo keeps Frank and Ed fresh by restricting them to commercials only. There is a Bartles & Jaymes booster club, whose 50,000 members receive autographed pictures of Frank and Ed. Gallo is considering marketing T-shirts and jackets through the club as well.

Riney won't reveal any more of his advertising strategy than Gallo will, except to explain that conceiving the ads as an ever-changing serial "keeps the campaign interesting." Others add that it gives Gallo tremendous flexibility that other coolers miss. Competitors produce one or two commercials a year, selecting one or two messages and praying they have guessed right. Frank and Ed can change the subject frequently or tie the cooler into holidays or focus on different markets, like they did by going on location to New York City.

The huge sums spent on tv, however, have cooled some competitors to the whole subject. Heublein Inc., recently sold by RJR Nabisco to Grand Metropolitan, the big London-based spirits marketer, worries that the ad investment needed and the deep price-cutting make for an unhealthy business. Its TJ Swann and Citronet coolers, ranked 23 and 25 respectively by *Impact* in 1985, have never caught on. Asks a spokesperson, "Is anyone making a profit in the business?"

The battleground is getting more high-pitched as the huge number of coolers jockey for shelf-space. Most of the major brands are flooding the market with new flavors. Sun Country boasts six different flavored coolers, including orange, peach, cherry and tropical. California Cooler's orange flavor is considered better-tasting by many than its original citrus.

So far, Gallo is sticking to basics. The company won't comment but some think it is letting smaller brands find flavor niches while Gallo dominates the mainstream drink. Others argue that company plants are at full capacity as it is and could not accommodate another cooler. Whatever the reason, Gallo could lose some share. Seagram introduces apple cranberry and wild berries coolers this month and when it launched its peach cooler with Bruce Willis, it gained some share from Gallo, says Canandaigua's McDonald.

New packaging has helped some brands as well. Sun Country is the innovator of the large, two-liter plastic bottle and saw its market share increase at California Cooler's expense, says McDonald. He says Sun Country owns 75% of that larger bottle business.

Gallo's only major weakness is its slowness, says one outsider. "It could have gotten into the cooler business sooner," says this industry source. "Ernest is a very patient man and the organization is patient," says the same source. "For instance, Gallo did not get into light wines [along with others] — and that was a genius decision on its own." ■

PRIZE PACKAGERS

by Marianne Paskowski

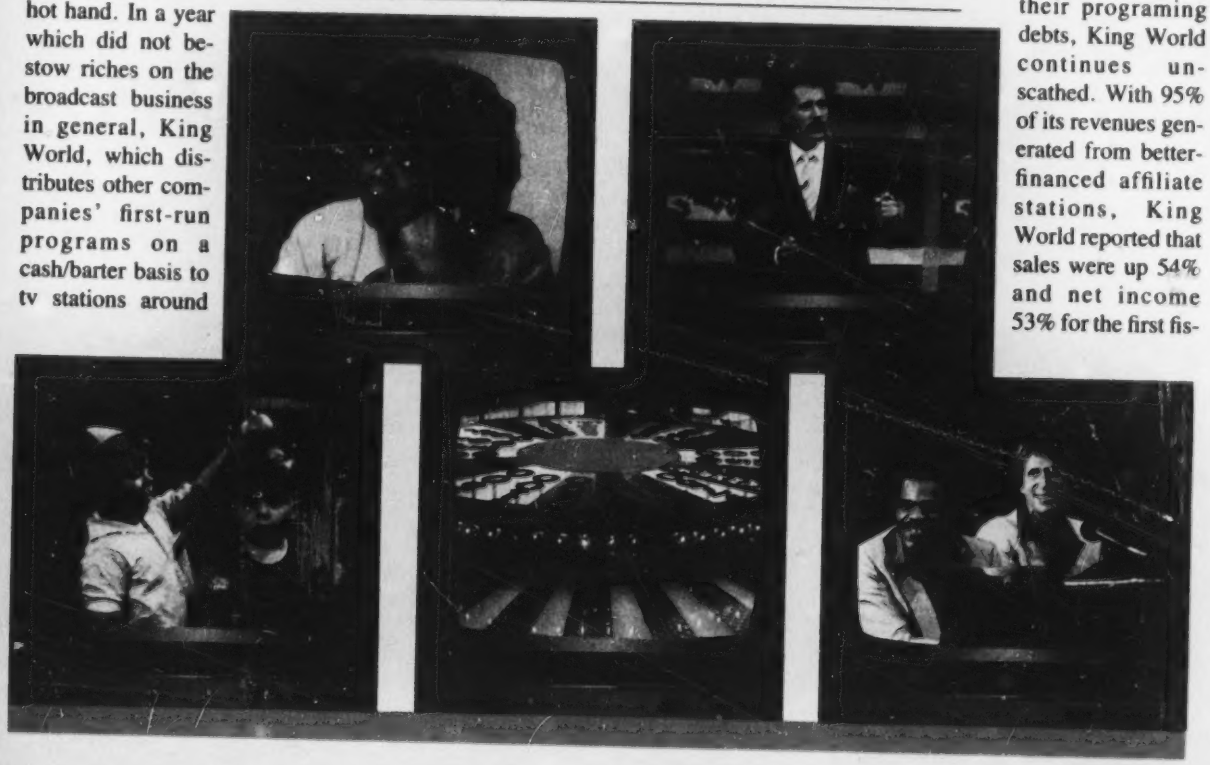
"I'm not a philanthropist," grunts Roger King, the larger-than-life chairman of the board of King World Productions. Tv station managers, who have paid King World upwards of $125,000 a week to air *Wheel of Fortune*, would not argue the point.

Research is the key to King World's crown in the syndicated television program arena.

King World can afford to take a tough approach to the tv programing business because it is playing with a hot hand. In a year which did not bestow riches on the broadcast business in general, King World, which distributes other companies' first-run programs on a cash/barter basis to tv stations around the country, is sitting pretty. It distributes three of the top 10 shows in first-run syndication: *Wheel of Fortune* (#1); *Jeopardy* (#2); and *The Oprah Winfrey Show* (#8).

Those hits have left King World's pockets bulging with cash. For the fiscal year ending August 31, 1986, the company's revenues totalled $145 million, a 54% increase over the year before. Net income shot up a staggering 102%.

And even though some syndicators have been left flat as overextended tv stations renege on their programing debts, King World continues unscathed. With 95% of its revenues generated from better-financed affiliate stations, King World reported that sales were up 54% and net income 53% for the first fis-



Oprah Winfrey, Jeopardy, Little Rascals, Wheel of Fortune, David Brenner

King's court, from the left: president Michael King; chairman Roger King; exec vp Stuart Hersch.

cal quarter ended last November. Stockholders of the formerly family-owned business, which went public in 1985, weren't complaining either: The stock split three times over the past year.

Some analysts predict that financial results for King World will continue to bring cheer. "They're sure to have similar success through 1989," believes Dennis McAlpine, entertainment analyst at Oppenheimer & Co. He points out that stations have already renewed contracts for King World's three top shows up until that date.

How did King World, known only a few years ago as the distributor of *Little Rascal* reruns, succeed? Luck has played a role for sure, but the marketplace says it's really because Roger King and his brother Michael, (who serves as president and chief executive officer) are sharp, highly aggressive marketers. They spend and depend heavily on research to tell them about market niches, needs and reactions. Furthermore, they are known as terrific sellers. They coddle their stations with customized sales and audience research, help them plan schedules and offer huge amounts of ad support.

Joe Ahern, general manager of WLS-TV, Chicago, which produces *The Oprah Winfrey Show*, has high praise for King World. "We interviewed a couple of syndicators to distribute *Oprah*, but we felt they already had a tremendous sales advantage with stations because of their *Wheel* and *Jeopardy* base," Ahern explains. "They had the experience, a strong sales force and a good understanding of research."

Of course, one big key to King World's success is that they've tied themselves in with some pretty good producers. Its producing partners include Coca-Cola Entertainment's recently acquired Merv Griffin Enterprises, which puts together both *Wheel* and *Jeopardy*; WLS-TV, the ABC O&O in Chicago, which produces *Oprah*; and Motown Productions, producer of *Nightlife*, a talk/variety show hosted by David Brenner. King World recently entered an agreement to distribute *The Laugh Machine*, a George Schlatter Production.

King World, once it has paid the producer for the rights to distribute the show, keeps approximately one-third of the revenues generated from licensing fees paid by the stations. King World has a different arrangement (and a much larger cut of the action) with WLS-TV, because the network O&O cannot legally participate in the distribution of its own programing.

In addition, King World, through its three-year-old Camelot Entertainment division, sells the national advertising time for the programs it clears. Camelot ad sales now account for nearly one-third of the company's revenues. "Our job is to handle these successful programs without bludgeoning advertisers and leaving behind hard feelings," explains Rick Levy, president of Camelot Entertainment.

So far, advertisers seem happy. Lever Brothers, McDonald's, Kraft, Ralston Purina and Richardson Vicks are among those plunking down $90,000 for a 30-second spot in *Wheel*, $50,000 for the same unit in *Jeopardy* and about $20,000 in *Oprah*.

While the cost may be high, the mitigating factor is that "King World/Camelot spares no expense to make something work," notes David Lerner, vice president of broadcast at FCB/Leber Katz in New York. "They know this business inside out."

Dan Riordan, director of broadcast, Lever Brothers, gives Camelot high marks for "the stewardship of the buy." By that Riordan means Camelot follows through on the details, like making sure that makegoods are delivered in flight, and not months later.

Maybe advertisers relate so well to King World because the company is obviously a believer in the power of advertising. Last year it spent $10 million promoting *Wheel*, *Jeopardy* and *Oprah*. That's a sum, Roger King points out, that is more than what some barter syndicators will pull in all year in revenues. The money is earmarked for customized station promotional spots delivered by satellite for the various programs. Last year, King World picked up the tab for 4,500 spots.

King World's major strengths, though, are research and sales, believes Oppenheimer's McAlpine. Nearly all of the company's business decisions today are firmly rooted in research. The nine-person research department in New York plays a pivotal role in evaluating the potential success of new programs, as well as developing the best marketing plans for programs the company decides to get involved with.

Like most syndicators, the bulk of King World research is based on anal-

ysis of the Nielsen and Arbitron ratings. But the company also works with outside consultants like ASI Market Research Inc. to conduct focus groups that gauge viewer attitudes about certain aspects of King World's shows, outlines Moira Dunlevy, King World's vice president of research. "This is a very research-oriented company, and the relationship that research has at King World is different in that management respects it," Dunlevy adds.

"The rest of the syndication industry is coming around to that now, but these guys were doing it five years ago."

Other syndicators agree that King World relies more on research than is the industry norm. "Not only do they have more research people internally than the two we have, they also use outside services far more frequently," admits one first-run syndicator. Furthermore, he confides, "they listen to what research tells them. Too often we ignore study results because they fly in the face of what our owner thinks the show should be."

Based on research of the current tv marketplace, King World will introduce only one new show for the upcoming 1987-88 season, *The Laugh Machine*. "After looking at the ratings of the top 50 markets, plus the competition, I suggested it would be risky to enter into other new areas because there were not enough good slots avail-

VA-VA-VA-VANNA

Okay — so she knows her ABC's. So she's got the typical All-American starlet curves and smile. Is this enough to make her a STAR? Well, start turning over, Lee Strasberg and Irving Thalberg, because the answer is yes. Vanna White, who glides, smiles and turns big letters on a big television game-show board — but never says a word — has arrived. And arrived big.

Her face — and other parts — have been plastered on numerous magazine covers, including *People*; she's done the requisite poster; there's a book deal in the works (*Vanna Speaks*); rumors of movie and endorsement deals abound; and she's gotten the ultimate accolade — a commercial for McDonald's. This isn't bad for a 29-year-old who didn't have too many other credits before she was picked out of a lineup of 200 other women to become the letter-turner on King World's *Wheel of Fortune* syndicated tv show.

Indeed, Vanna owes her success and hefty paychecks to King World. The syndicator has meticulously and shrewdly marketed her, making her into a business and an insurance policy for the continued success of their show.

Curtain: 1983-1984. Though doing well, *Wheel of Fortune* still needed to crash into major markets. Enter David Sams, who was King World's vice president of creative services until his recent departure to start his own company. A spotlight lover with a longing for "the days when they wired theater chairs and shocked viewers at key scenes," Sams felt audiences had grown immune to the "cookie cutter clip spots" that typified tv promotion.

That's about all the backing *Wheel of Fortune* had at that time: spots catching contestants in the great giggle of prize-winning. Knowing that stations do the most promoting for access shows, Sams found an "element to promote" in letter-turner Vanna White and quickly committed the show to thousands of customized promotions featuring her — 30-, 20-, and 10-second spots — for local stations at no charge.

"The philosophy was to make *Wheel of Fortune* the grass roots, hometown show," Sams says, a plan that fit White's anonymity, Southern roots and charm. "The national press wasn't interested in doing a lot on another game show figure, so we had to create such local-market momentum that they couldn't ignore Vanna as just another pretty face."

When Vanna wasn't filming *Wheel* (the show takes up 12 days out of the month), King World put her on the road to look-a-like contests, contestant drawings and parades.

One big step into national coverage came last spring at a Nelsonville, Ohio, parade staged as part of the "Whose Life Will It Change Tonight" campaign for the show. Some 15,000 people turned out to see White wave from the top of a spinning *Wheel* float as Harvey, a fictitious winner, made his mock-proud return. King World got what Sams had planned: wire-service stories in papers across the country, and a full-color feature spread picturing White in *USA Today*.

Meanwhile, Sams kept his letter-turner on the tube. Last year, White made a sizable share of the 5,000 ($5 million worth of production) customized *Wheel of Fortune* spots, which garnered some $50-odd million worth of airtime exposure free of charge. That's not counting *TV Guide* coverage, and other product spots and local radio interviews which revealed White's down-to-earth view of her quiet *Wheel* role. King World has found its queen.

"She is still tv's mystery woman," insists one independent public relations executive. "That's one reason she's such a success: People fantasize about what kind of person she really is." Throughout, White has made herself accessible.

The challenge facing her new personal manager, Ray Manzella, is how to limit endorsements and appearances. Yet while White has grown far bigger than her on-screen role, Sams, for one, attests, "she remembers where the paychecks stem from." According to her contract, those $100,000-plus *Wheel* paychecks should keep coming for another three years. But just in case they do stop — don't worry. Vanna's taking acting lessons.

Fred Pfaff

able," explains Dunlevy.

And even though *The Tony Orlando Show*, produced by the Post-Newsweek Stations, did well in its eight-week test in the Detroit market with a 7-8 average rating, King World has not yet started to sell the show to stations. Research, again, said no.

The research department also insists that its salespeople go out with customized studies when they call on tv stations. A typical report might include a ratings analysis of each station in the market plus suggestions from King World on which time periods are best for certain shows.

While this is certainly not a unique practice among syndicators, stations which have followed King World's research advice have seen the payoff. For example, research indicated that *Oprah* could get higher ratings in early fringe, compared with morning, where it ran in most markets. "We could see *Oprah* skewed young and that there is more audience available in fringe following the soap operas," explains, Roger King. Brother Michael says the positioning helped and that "*Oprah* hit the ground running," but also points out, "We did spend a fortune promoting her and we did catch a break with Steven Spielberg."

King is refering to Winfrey's Academy Award nomination for her role in *The Color Purple*. News of Winfrey's nomination broke just before the National Association of Television Program Executives conference convened last year, where the King brothers began selling the show.

Jeopardy, too, benefited from research. When the show was launched in 1985, it performed so poorly that a station in Los Angeles yanked it after airing the show for only five weeks. King World hired an outside research firm to find out what was ailing *Jeopardy*. "They found that the buzzer was irritating the audience," recalls Sid Cohen, King World's president of domestic television distribution. "So we got rid of it." Ratings improved immediately.

King World further hopes to improve *Jeopardy*'s ratings by convincing ABC affiliates, in particular, to move up the early evening network news and air *Jeopardy* instead. WABC-TV, the ABC O&O in New York City, has done just that. The station's overall ratings are up 22% in the 4 p.m. to 8 p.m. period. "This could really change the face of syndication, allowing stations to generate more revenue with an hour of entertainment in access," Dunlevy believes.

King World's Cohen likes to describe his troops as programing consultants. "We try to think like a tv station, looking at a show from every possible angle," he says. "We look at what will run in front of it, in back of it. King World also offers its customers a unique sales tool: Stations receive "daily specifics" on each show's programing via satellite.

"This is a definite advantage," believes King World customer John Moczulski, director of programing services at KGO-TV, the Capital Cities/ABC O&O in San Francisco. KGO carries *Oprah* and is considering *The Laugh Machine* for 1987-88. The daily promotions give the scoop on which topics Winfrey will cover and which guests will appear daily, so that the station can customize its own promotions.

If King World sounds like it has all the answers, keep in mind that the company has had its share of flops. Last year, King World introduced *True Confessions*, a daytime magazine, and *Rock & Roll Evening News*, a late night program aimed at young viewers. Both were cancelled due to low ratings. "We learned a lot about barter with *True Confessions*," recalls Roger King, "and quite frankly it cost us several million dollars." Also in limbo at the moment is *Nightlife*, a late night variety show hosted by David Brenner, which has had a rocky start.

But few things set the King brothers back for long. Hardly shy about their achievements, the King brothers agree wholeheartedly that they are good. Their strategy: "We start with the best show we can get; find the best environment, the best station lineup; and back it up with the best promotion," outlines the tall, heavy set Roger King. Echoes brother Michael, "Whatever it takes, that's what we do." That seemingly simple notion is likely to keep the syndication crown at King for some time to come. ■

Top 10 Syndicated Programs*

Program	Syndicator	No. of markets	Rating	Share	% coverage
1. Wheel of Fortune	King World	199	19.3	33	99.6
2. Jeopardy	King World	189	12.3	26	98.4
3. PM Magazine	Group W Productions	45	9.7	18	36.6
4. New Newlywed Game	Clarion Communications	181	8.9	17	96.5
5. M*A*S*H	Twentieth Century Fox	159	8.7	19	90.6
6. People's Court	Lorimar-Telepictures	181	8.2	21	95.3
7. Three's Company	D.L. Taffner Ltd.	143	7.9	18	84.7
8. Oprah Winfrey Show	King World	131	7.7	31	89.3
9. Southwest Conference Football	Raycom Sports	19	7.7	25	7.4
10. Phil Donahue Show	Multimedia	181	7.6	29	97.9

*Nielsen/Cassandra, Nov. 1986

CUTTING RIVALS DOWN TO SIZE

As 8mm threatened, JVC recorded a smashing success with a VHS compact that may be the future.

by Fred Pfaff

Playback: Two years ago, JVC Co. of America, U.S. marketing arm of the inventor and licensor of the VHS format, brought to market the company's first video camera recorder, or camcorder. True to its reputation, JVC had broken ground: Against a wave of wieldy recorders using full-sized VHS cassettes, JVC put up a portable VHS-C camcorder using compact VHS tapes. "It was a complete bomb," remembers *Television Digest* editor David Lachenbruch. "Nobody paid any attention to it. And nobody ever expected them to revive it."

At the spring 1986 Consumer Electronics Show, JVC did just that, and set the fast-growing camcorder marketplace on its ear. The model, an all-in-one portable "videomovie" machine called GR-C7 (suggested retail price: $1,495), extended the playing time capacity from 20 to 60 minutes and featured a hard plastic carrying case that contained all of the necessary accessories. More importantly, it was small and light enough to be held easily with one hand, thereby offering a VHS option to the revolutionary 8mm format being pioneered by Sony.

Using a combination of reported arm-twisting among its Japanese colleagues, wider-than-usual distribution and an ad assault against 8mm, JVC brought the VHS-C format to command around 20% of the 1.1 million camcorder unit sales for 1986, as reported by the Electronic Industries Association. It also leads the field with an estimated 55% share of the segment.

"JVC did a fantastic job of revising the system," applauds Lachenbruch. "Now it seems it's off to the races."

Not without competition, and not without controversy. JVC has invited both. When JVC joined 126 other manufacturers in signing a basic technological standards pact for the 8mm format six years ago, some mistakenly read that as industry consensus of the future of home video. But 8mm is too dangerous for JVC: "VHS royalties are the only thing keeping JVC in business," says one observer, and 8mm is a stand-alone, incompatible format. VHS-C, with adaption, can be played on a standard VHS system.

Dean Witter Reynolds analyst Eugene Glazer recalls that early last spring, Matsushita and other heavyweights, already manufacturing 8mm camcorders for other companies, appeared ready to roll out models carrying their own names. Reading trouble, JVC went to all of its Japanese licensees and waged what *Video*'s president and managing director Jay Rosenfeld terms "an intense marketing campaign to convince manufacturers that VHS-C was the way to go." JVC won out. It introduced its GR-C7 with the knowledge that industry giants would soon follow it into the format (and with some crying that JVC had betrayed the industry).

But JVC still had to go it alone at the start, and to do so it needed to break some of its own age-old patterns. Tra-

JEFF THOMPSON

ditionally an engineering company reputed for premium merchandise that sells out in specialty stores, JVC first had to widen its sights to the mass market, which national sales and marketing manager Steve Isaacson felt would react to the model's small size and portability. He pointed JVC toward a target market of "very male, upwardly mobile 25-54 year olds with incomes over $25,000."

Second, JVC actually had to market the innovation this time. Analysts note that with its past innovations — most notably the invention of the VHS format — JVC had ridden the wave of popularity generated by larger, more mass-oriented Japanese manufacturers with far fatter advertising and promotion wallets (all the while, of course, collecting royalties). But notes Eugene Glazer, "for the first time JVC, not a terribly well-known brand in the U.S., had something unique to it."

And third, JVC had to market it without the support of many of its traditional specialty store and power retailer chain outlets. At the GR-C7 debut, "the majority of power retailers weren't positive at all," confirms Isaacson. "They were concerned by the models JVC had had before. And their attitude tends to be, 'How much money will you put behind it and how much will I get in merchandising?' They knew we didn't have the financial capability of a Panasonic to back up the GR-C7 with a massive ad campaign."

> **"Power retailers were not positive at all. So we had to get to the more visible places where video hardware is sold."**
>
> ***Steve Isaacson***
> ***National sales and marketing manager,***
> ***JVC Co. of America***

More excited, however, were department stores and large home electronic chains. The chains presented an opportunity for wider distribution as well as a new kind of challenge: To maintain the integrity of the product within a highly price-sensitive environment at a time when down and dirty price cutting are the status quo in video. Isaacson took on that challenge looking for mass exposure and knowing that splashier chains are the place of big-ticket impulse buying for much of the young, upscale market. Camera stores, the strongholds of the 8mm makers, were avoided. "We wanted to get to the more visible places where video hardware is sold," says Isaacson.

The last thing JVC needed was a typical flurry of small newspaper ads playing down the product's presence and playing up a low price. Isaacson stressed the product's uniqueness, and retailers agreed to downplay price in favor of "storytelling ads"; in the case of one large Midwest department store chain, making that agreement was a key factor in getting on JVC's list.

To start off, JVC produced four-color brochures for major stores carrying the GR-C7 that appeared around Father's Day, just about the time of the product launch at the spring CES. Then retailers, using co-op funds negotiated on a package basis, began running ads with large photos of the GR-C7 prominently featured.

But it was the $4 million national ad effort handled by SSC&B Inc., an outlay and high-profile move rare for JVC, that made the biggest hit. JVC went head-on against the 8mm format with tv and consumer/trade print ads that sent Sony lawyers to the networks' ad complaint boards and Sony ad people

to the drawing boards for a return shot. During June and July, print ads depicting a GR-C7 taking aim at an eight-ball-turned-camera ran in buff books *Video* and *Video Review* as well as selected consumer electronics trade books and 15 general consumer titles including *Esquire*, *People* and *Life*, according to SSC&B account executive Joe Pantigoso.

At the same time, JVC made its biggest hit on the screen. In eight markets (New York, San Francisco, Washington, Los Angeles, Chicago, Dallas, Minneapolis and Houston), where 60-second radio spots also ran, viewers watched a 30-second spot (''Poo! Hall'') in which a brash young hustler (JVC) beats an old pro (Sony) because his JVC has more features and VHS compatibility. That commercial really stoked the ire of Sony executives, and, admits Isaacson, even ''shocked'' many JVC executives in Japan.

''Our goal wasn't to slam dunk Sony,'' says Isaacson. ''It was to make the consumer realize that not all camcorders are the same, and that there's a viable alternative that does work with their home units.'' Sony retaliated during the Christmas season with a 30-second spot depicting a lawyer with tie-loosened playing down the VHS format and winning the applause of a jury. When JVC complained, NBC forced Sony to modify its claims that 8mm cassettes are better protected.

''We needed a dramatic way to depict our products' differences and 8mm's superiority,'' says a Sony spokesman. If anything, though, Sony and JVC executives think their airtime shoving match led more consumers into the stores and secured a few million dollars in extra sales for the camcorder segment.

As Dean Witter's Glazer notes, ''the quality of all the products is so good'' that it's hard for consumers to differentiate between camcorder models. So ''people walk in and buy what they can get their hands on,'' reports one Manhattan buyer. To be sure, JVC's distinctive burgundy GR-C7 did fine in the quick-sell arena of the stores. ''JVC has no problems moving the GR-C7,'' reports the buyer. ''Their role in the VHS business gave them a good name consumers respond to, and the name of the game is to keep stores supplied with product and accessories.''

This could have been a sticking point for JVC. ''In the past, JVC has been really poor at accessorizing their products,'' notes Mary Ely, video buyer at California's Home Express. ''It's always been, 'You can have the hardware but you need this one part to operate it, and the part is on back order.' This time they brilliantly put everything into one case.''

One of the things that editors and analysts alike acknowledge is the way VHS-C players have held their price points. ''Price isn't the big consideration in camcorders as a whole,'' says Craig Thompson, a video buyer for the Chicago-based Video King chain. ''If he's properly shown the product, the consumer will go for the best type of product there is. Once he's decided to spend $1,000, it's easy to spend another $200.'' And Best Buys' Ely says the GR-C7 has maintained its profitability better than other format models.

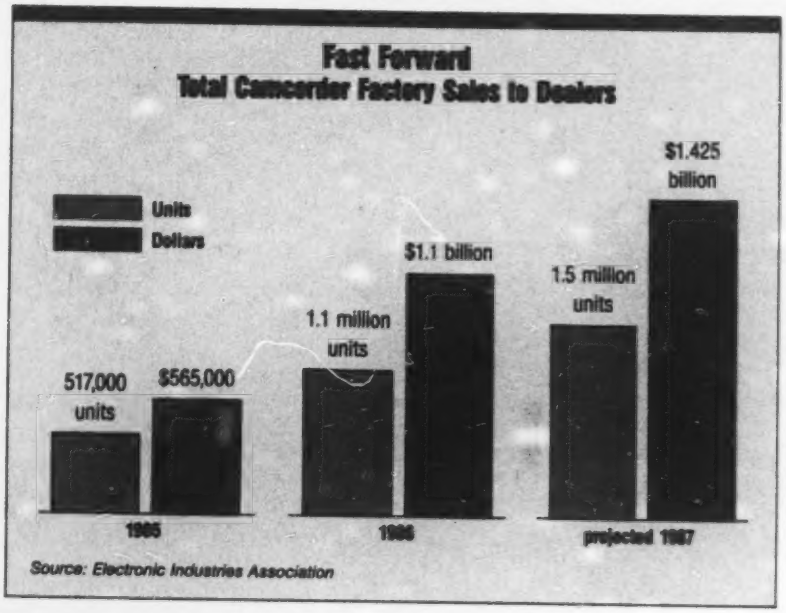
While experts still think 8mm provides a better picture, they see trouble for the format in the venerable growing ranks of VHS-C competitors. RCA, for one, has announced plans for a VHS-C entry and expects to have 25% of the VHS-C market by year-end. *Video*'s Rosenfeld thinks that just convincing RCA to market VHS-C players was a ''major coup'' for JVC, since RCA's tv spending will hype the format.

But while Isaacson left the winter CES convinced that VHS-C would become the dominant format, *TV Digest*'s Lachenbruch cautions, ''You can expect Sony to pull out all the stops.'' And Rosenfeld gives all 8mm marketers ''a lot to gain. As more people go into the market to buy,'' he says, ''they'll look harder and harder at what gives them the best picture quality.'' And now Samsung, a price-basement brand, is set to introduce an even more compact 4mm model at the winter 1988 CES.

JVC should stand stronger against the competition, both from within and outside the VHS-C category. There's no question in analysts' minds that the JVC's GR-C7 marketing effort has dramatically strengthened JVC's brand name, and JVC has already begun to build on that recognition.

Due out this spring is the GR-C9, an $1,150 point-and-shoot camcorder with only one button (on/off) and half the weight of the GR-C7. Since its size and simplicity widen its potential market, SSC&B is considering a host of women's books.

To keep climbing, though, industry onlookers think JVC may have to change its whole ad approach. Lachenbruch, for one, feels that ''when it was JVC vs. Sony and other fringe companies, JVC could aim against the format.'' But with an onslaught of big competitors, he thinks ''the strategy has to change. Now they have to sell on their own brand name.'' ■



POINT/COUNTERPOINT/

NATIONAL TV GOES FOURTH

MURDOCH'S FOXY PLAN

Efforts in the past to develop a fourth network have never been realized because no one has made a serious commitment to this intimidating project. In spite of all the rhetoric, no one until Rupert Murdoch has even taken the first step — publicly proclaiming his fourth-network plans.

There is little doubt in my mind that Murdoch will follow through with his intentions, and there are several solid reasons why he should succeed:

1. Murdoch's company, Newscorp Limited, controls assets in excess of $4 billion. He anticipates that the Fox Broadcasting Co. will lose over $100 million in its first three years of operation. Mr. Murdoch is wisely taking the long-term approach and is willing to accept substantial losses.

2. Murdoch now owns seven tv stations that clear more than 23% of U.S. tv homes. He has signed up additional independents covering more than 80% of U.S. tv homes. Although many of those stations provide only weak UHF signals, his long-term approach offers attractive compensation packages including cash and inventory.

3. He has hired some of the most respected talent in the entertainment business in forming Fox. Key players include Barry Diller, former chairman of Paramount Pictures, and Jamie Kellner, former president of the Orion Entertainment Group. Through Diller, Kellner and their staffs, agreements have been reached with many of Hollywood's top tv producers.

4. In spite of the lackluster growth of the network tv marketplace over the past 30 months, it appears that the scatter market demand is reaching frenzied proportions just as FBC is set to debut their first prime time programs.

Murdoch and FBC have the funds, the distribution system and the top creative personnel to develop quality programing in a favorable receptive marketplace.

The debate is not whether FBC will survive, or whether it is beneficial to the advertising community. The answer to both these questions is a qualified "yes." The key issue is how much of a role will FBC play in future media and marketing plans.

When the fourth network dream was originally conceived, there were no other tv outlets/alternatives for national advertising dollars beyond the Big Three. Now we can employ cable, syndication and, to a lesser degree, pay-per-view, DBS and other new-tech options. All of these have carved out their niche at the expense of the Big Three. Cable and syndication in particular continue to grow and prosper.

I believe FBC will become a major player in the national tv marketplace much faster than most people anticipate and to a much greater degree than their primary competitors will be prepared to deal with. The time frame for this may be as early as two years. Syndication and cable, for all their benefits, have limitations that will prevent them from claiming (in combination) more than 20% of most national advertisers' budgets. In most cases that figure is closer to 12%, and there are still some major national advertisers who do not include either syndication or cable in their media mixes. Cable clears about one-half the U.S. tv homes, but most cable networks cannot deliver a 2 national rating with more than a few of their shows.

Syndication can clear most of the U.S. and deliver medium-sized audiences at attractive prices. However, there are verification problems and the entire syndication buying process from analysis to reconciliation of payments is cumbersome. Only a handful of programs offer attractive, unique audience profiles, and the lack of date/time national clearance inhibits merchandising of advertiser schedules.

FBC doesn't need to deliver double-digit ratings to be a success. If, as they claim, FBC delivers a youth-skewing, quality, first-run product, then a 5-6 rating will gain the attention of many national advertisers.

In the broader picture, and this may be a hope/wish, the fourth network could absorb enough national tv dollars to prevent substantial reinflation in the cost of tv time. If the tv industry can avoid hefty inflation rates, then perhaps some of the dollars being funneled into promotion will be re-directed into media.

Stephen Grubbs is senior vice president, director of national tv buying, for BBDO/NY.

OUR READERS TELL US . . .

Two thirds of our agency reader sample, polled by Research USA, Chicago, believe a fourth tv network is a workable idea. Most would, in fact, welcome it. But this same sample feels Fox is far from filling the gap. (Base = 103.)

1.) Do you believe a fourth tv network is a viable idea?

Yes	67.9%
No	31.1%
No answer	1.0%
	100.0%

POLL

FBC: ONE AMONG MANY

1987 brings another entrant into the growing field of competitors vying for audiences and advertising dollars. Fox Broadcasting promises an array of first-run, conventional network-quality programs delivered to stations on a live feed for day and date airing.

The arrival of this "fourth network" is being trumpeted as providing an equivalent alternative to ABC, CBS and NBC. But I'm not so sure that we don't already have a variety of "fourth networks" in place doing the job for viewers and marketers alike.

A decade ago, television time options were indeed limited. Other than the national spot television market, choices were simply not there. Most studies and analyses of that inflationary situation usually focus on the demand side: new product growth, expanding economy, marketing "wars," etc. Were there to have been viable alternatives on the supply side in *national* television, the story might have been much different.

A new term — *national broadcast* — is a genuine "new product" of the 1980's. Who can say if these changes would have come about and these supply routes opened if national advertisers had not been at the mercy of the three conventional networks? In the past half dozen years or so, national cable networks and national syndication have developed significantly. Depending on who's doing the counting, those two television arenas may be accounting for 10-to-15% of the ad sales revenue in what we call *national broadcast* today. What came about was really a fourth network — a veritable raft of opportunities to reach a customer who watches programs, not channels.

The 1980's national broadcast negotiators are, by necessity, a different breed than their predecessors. The vast array of choices from which to shape the television buy has made these specialists an even greater part of the advertising task force. Through them, daypart definitions have been expanded and rigid purchased guidelines relaxed. The realization is that following the viewer is the sensible strategy, not placing commercials on a preselected list of specific suppliers. With the liberalization comes a greater reliance on buying decisions that mix common sense, strategic insights, facts and room for the "judgment call."

Let anyone with the resources, reach and programs get into the national broadcast field. Their efforts are welcomed. However, I for one can't get overly excited about the arrival of Fox's "fourth network." I thought we had more than we could count already — and I'm glad we do.

Wes Dubin is senior vice president and broadcast director of network tv and radio at DDB Needham/Chicago.

2.) Would you recommend a fourth network to your advertisers?

Yes	65.1%
No	32.0%
No answer	2.9%
	100.0%

3.) Would the creation of a fourth network result in better programing for all networks, i.e., competition?

Yes	57.3%
No	40.8%
No answer	1.9%
	100.0%

4.) Would a fourth network help keep network prices down?

Yes	66.1%
No	32.0%
No answer	1.9%
	100.0%

5.) Do you consider Fox Broadcasting a fourth network or a syndicator?

Fourth network	7.8%
Syndicator	89.3%
No answer	2.9%
	100.0%

6.) Have you spent money on Fox?

Yes	36.9%
No	63.1%
	100.0%

7.) What type of programing do you believe Fox should add?

Movies	63.1%
Mini-series	56.3%
Sports	53.4%
Sitcoms	48.5%
News	41.7%
Soap operas	21.4%
Other	14.6%
No answer	5.8%

8.) How well do you believe advertisers will support Fox in its efforts to expand beyond late night into weekend prime time?

Strongly	7.8%
Moderately	52.5%
Weakly	32.0%
Hardly at all	5.8%
No answer	1.9%
	100.0%

SALES PROMOTION

by Russ Bowman

RESEARCH & ANALYSIS: THE MISSING LINK?

"There never seems to be enough money for research!" That common complaint throughout marketing for many years still seems to be true in many cases for sales promotion. In a presentation at one of the Promotion Marketing Association of America's (PMAA) annual "Update" conferences, Bob Wehling, manager of general advertising at Procter & Gamble, talked about the lack of attention to promotion analysis. "Frankly," he stated, "my guess is that a minority of promotions . . . were thoroughly analyzed afterward for effectiveness."

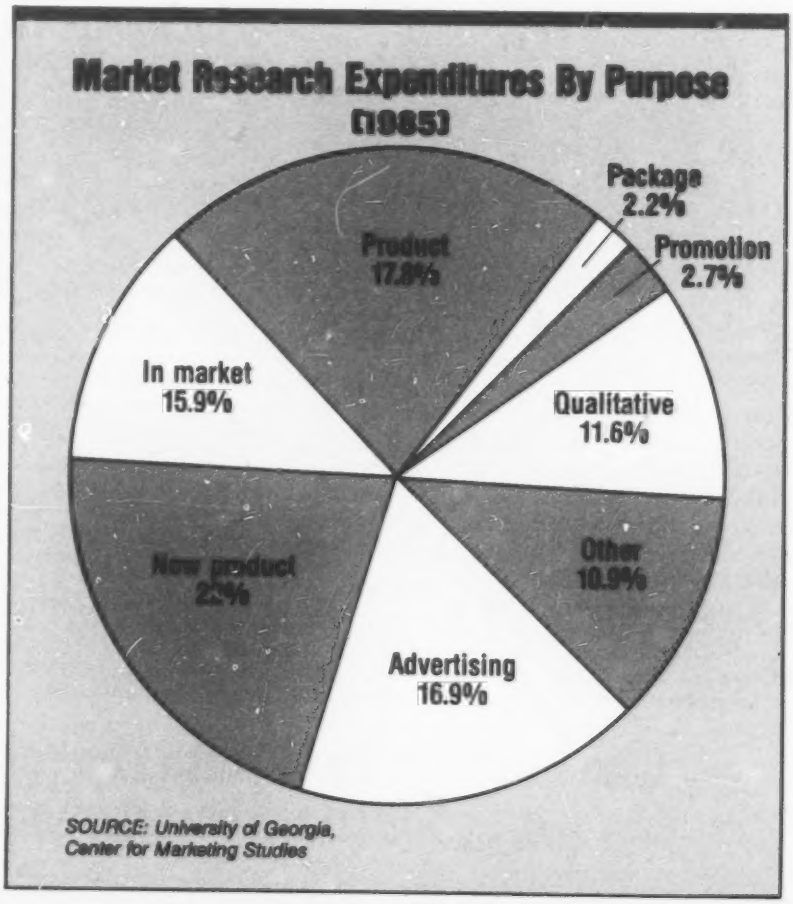
In my book *Profit on the Dotted Line* (Commerce Communications/Chicago), I conducted a bit of analysis of my own on this issue. Much of the problem seems to come from a somewhat justified envy by promotional people of the megabucks spent on advertising research over the years. This was documented by a survey of research practices conducted by the University of Georgia Center for Marketing Studies in 1985. Results showed advertising research getting about 17% of research expenditures and promotion only about 3%, although some promotional data is probably categorized with product and in-market research. (See chart.)

More effective promotion will depend on closer attention to data.

One of the major distinctions between research for these two related marketing partners is that most advertising research is *prior* to the actual consumer exposure, while most promotion research seems to occur *after the fact*. Historically, for the most part this made sense: With high advertising costs for a new campaign or tv commercial, clients wanted to know they were taking their best shot. As for promotion, generally the research went to see what happened for the big coupon event or sampling.

However, promotional research has come a long, long way, especially since the advent of the UPC code and scanner data. Now that scanner data has become a way of life in marketing and retailing, there is very little that can't be studied and tested quickly and with a high degree of accuracy, and there is an abundant source of research services for scanner data.

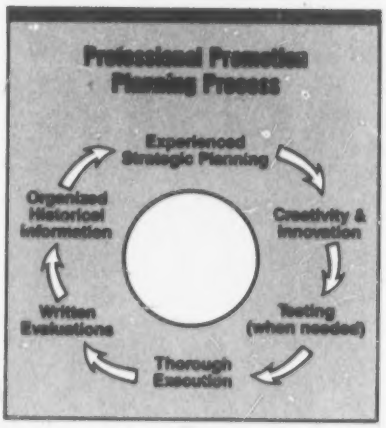
Make testing a way of life: In the long run, promotion plans and decisions can be improved only if the experience and data available can be improved and available sooner. This means a company, or in fact any major brand that relies heavily on promotion, needs to continue testing to improve its data bank. For example, the old face-value test conducted for brand X in its introductory year (a 10¢ vs. a 15¢ coupon) can't be reliable forever. So each time the brand runs a national coupon, a new updated face-value test can be conducted at very little additional cost (15¢ vs. 25¢ vs. 30¢ coupons). The next time a brand runs a $2.00 cash



refund/rebate, break out two or three smaller markets and test a $3.00 refund/rebate for additional proofs of purchase. The point is, if you keep testing variables, you may eliminate a lot of last-minute guesswork.

Build on historical experience: If a brand/company doesn't keep up with thorough written evaluations, it will be hard to have a valuable bank of organized historical information and, without organized data on what went wrong (or right) in the past, planning and development will continue to be too much guesswork and unnecessary risk taking. Good evaluations are like building a house — with a poor foundation, you're sunk — and the "foundation" in promotion evaluations is a set of predetermined, *measurable* goals and a plan for how to measure them.

Summary and predictions: Clearly the state of promotion research and the



techniques available has improved, especially in the last five years, and now there are many indications for an even brighter future. All the major research companies are spending more time and experimental funds on better data collection and more concise summaries.

According to Gail Parker, vice president at Gundersen Partners, more executive searches for researchers are specifying background in promotion and sales tracking analysis. Concurrently at least the larger sales promotion agencies are developing bigger and better research departments. Bud Frankel's company has hired Don Packard, formerly vice president, associate research director at Leo Burnett, to head his research department, and Einson Freeman's Marketing Metrics division has expanded its services.

Meanwhile, in the academic arena, Don Schultz, professor of marketing at Northwestern University, is heading a new PMAA research committee to encourage better exchange of industry information and hopefully bring more attention to the subject while America's future marketing managers are still on campus.

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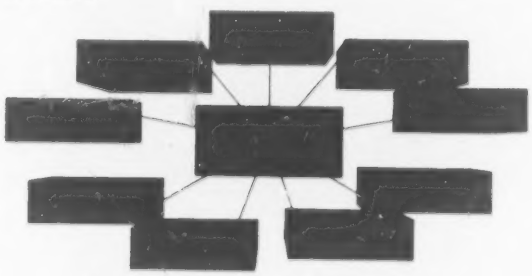

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ECONOMIC EYE

CONSUMERS' COOLING CONFIDENCE

The Conference Board reports that the Consumer Confidence Index (CCI, 1985 = 100) stood at 85.6 for January 1987, an eight-point decline from December. Less than 16% of the 5,000 households polled expect business conditions to improve in the next six months.

PRODUCTS AS SCORECARD	Pages Jan. 1987	% change from Jan. 1986	Dollars spent ($000)	% change from Jan. 1986
1. Skin care, Creams, Lotions and Oils	174.97	+73.65%	$ 6,213.3	+35.90%
2. Lip and Eye Beauty Products	33.34	-26.93	1,483.9	-40.22
3. Shave and Fragrance	29.33	-26.56	1,078.3	+41.54
4. Facial Makeup Products	91.87	+66.84	2,919.0	+81.44
5. Personal Cleaners and Bleaches (including Pads)	42.51	+42.27	2,366.4	+72.21
6. Liquor	144.31	-23.01	5,447.0	-23.98
7. Cigarettes	432.69	-22.62	21,870.2	-22.79
8. Shoes and Footwear	24.59	-37.79	1,668.1	-37.43
9. Passenger Cars, Domestic	285.20	-46.45	13,078.6	-38.02
10. Passenger Cars, Imported	327.51	+27.97	16,298.8	+42.48

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

Medium	Feb.	% change	Mar.	% change	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change
Network TV																				
Daytime	181	−5	182	−4	200	−0	219	−0	204	−0	209	+2	207	−0	198	+2	174	+3	186	−2
Nighttime	215	−2	214	+4	231	−8	257	+3	225	+9	243	+7	225	+8	222	+7	215	+4	202	+7
Spot TV (1984=100)																				
Prime time	104	+19	125	+16	123	+16	123	+20	122	+20	128	+26	105	+21	111	+5	–	–	–	–
Daytime	109	+9	110	+9	107	+5	108	+9	111	+5	114	−5	100	+9	100	−2	–	–	–	–
Network radio (1985=100)	116	+16	113	+13	112	+12	113	+13	114	+14	104	+4	105	+5	104	+4	115	+15	106	+6
Spot radio	246	+0					250	−5					250	−2						N/C
Consumer magazines	207	+6	207	+6	207	+6	207	+6	207	+6	207	+5	207	+5	208	+6	209	+7	209	+6
Natl. Sunday mags	226	−7	225	−7	225	−7	224	−7	232	−4	232	−4	232*	+5	229	+5	232	−6	231	−6
Business publications	190†	+7	190†	+7	190	+7	190	+7	190	+7	190	+7	190	+7	191	+6	192	+6	192	+6
Daily newspapers (1980=100)	155†	+8	155	+8	156	+8	156	+8	156	+8	158	+8	159	+8	160	+8	161	+8	162	+9
Outdoor	227	+5	231	+7	231	+7	231	+7	231	+7	231	+7	231	+7	236	+11	225	+6	225	+6

Notes: Percentage shown is relative change from the same month/period the year before. *Family Weekly changed to USA Weekend.
†Revised from earlier presentation—Business publications from 189 to 190; newspapers from 158 to 155. 1977=100 except where noted.

Sources:
Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports (BAR) Network TV Service.
Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4 p.m. Monday-Friday from BAR's Network TV Service.
Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) cost of a page, four-color in the national edition.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.